

Aquila Networks - MPS
Northern System
Current Gas Cost Calculation

	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Totals</u>
SUMMARY OF COMMODITY COSTS					
Requirements	33,324	33,965	47,210	92,991	207,490
PEPL Market Zone Fuel Loss	1.41%	1.41%	1.41%	1.41%	
PEPL Field Zone Fuel Loss	1.09%	1.09%	1.09%	1.09%	
Gathering Fuel Loss	0.73%	0.73%	0.73%	0.73%	
Total Supply - Fuel Loss	34,424	35,087	48,769	96,062	
Storage Injection	120,000	120,000	120,000	60,000	420,000
Storage Injection Loss	1.54%	1.54%	1.54%	1.54%	
Total Storage - Fuel Loss	121,877	121,877	121,877	60,938	
(Storage injection is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is with					
Purchase Requirements	34,424	35,087	48,769	96,062	214,342
Total Supply	34,424	35,087	48,769	96,062	214,342
Forecasted Price (NYMEX-PEPL Basis)	<u>\$ 6.4010</u>	<u>\$ 6.5250</u>	<u>\$ 6.5650</u>	<u>\$ 6.6350</u>	
Total Cost	\$ 220,348	\$ 228,943	\$ 320,168	\$ 637,371	1,406,830
Storage Withdrawal (17007)	0	0	0	0	0
Storage WACOG (17007)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Forecasted Gas Commodity Cost</u>	220,348	228,943	320,168	637,371	1,406,830
<u>Forecasted Sales Gas Quantity</u>	34,424	35,087	48,769	96,062	214,342
<u>Gas Cost (Commodity) Dth</u>					\$6.5635
SUMMARY OF UPSTREAM COSTS					
Panhandle Eastern Pipeline - Firm					
FT Commodity (Field Zone)	34,173	34,830	48,413	95,360	
FT Commodity (Market Zone)	<u>33,801</u>	<u>34,451</u>	<u>47,885</u>	<u>94,321</u>	
Total Units	67,974	69,281	96,298	189,681	423,234
Cost/Dth - Field Zone	\$0.0195	\$0.0195	\$0.0195	\$0.0195	
Cost/Dth - Market Zone	<u>\$0.0097</u>	<u>\$0.0097</u>	<u>\$0.0097</u>	<u>\$0.0097</u>	
Total Panhandle Commodity Costs	\$994	\$1,013	\$1,409	\$2,774	6,191
<u>Forecasted Northern Upstream Costs</u>	994	1,013	1,409	2,774	6,191
<u>Forecasted Firm Sales Quantity</u>	34,424	35,087	48,769	96,062	214,342
<u>Upstream Cost/Dth</u>					\$0.0289

\$ 6.5924

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Gas Commodity Cost Calculation

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INSIDE FERC JUNE 05		\$5.81	
PEPL Market Zone Fuel Loss		1.41%	
PEPL Field Zone Fuel Loss		1.09%	
Gathering Fuel Loss		<u>0.73%</u>	
PEPL Index Adjusted for Fuel	\$	6.0018	
PEPL Cost/Dth Field Zone		\$0.0195	
PEPL Cost/Dth - Market Zone		<u>\$0.0097</u>	
		\$6.0310	
Total Gas Commodity Costs		<table border="1"><tr><td>\$6.0310</td></tr></table>	\$6.0310
\$6.0310			